

## **Clermont County Budget Policy Statement**

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### **Mission Statement**

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**Provide the services statutorily required of the Board of County Commissioners and the funds necessary for the other elected officials of the County to provide their statutory duties while ensuring the long term protection of the financial stability of the county.**

### **Board of County Commissioners' Basic Budget Principles**

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1. County funds do not belong to the Board of County Commissioners or other elected officials but instead belong to the taxpayers.
2. County Commissioners' actions should not only be open and transparent but actively communicated to the public.
3. Provide the best service to taxpayers in the most economical fashion (biggest bang for his buck!)
4. Manage the budget in the most prudent fashion to assure long term economic health and prosperity of the citizens of the county and their government.
5. Involve all County elected office holders in the budget process and strive to reach a consensus.

## Basic Strategies Impacting the Budget Process

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1. *Government Services* will be provided in the most cost-efficient and effective means possible. The Commissioners have the responsibility to adequately fund each elected office holder so they may fulfill their statutory responsibilities.
2. *Expenditure of Public Funds* In determining the expenditure of public funds, County Commissioners must take a broad view of the actions necessary to make the county a better place to live and work, listen to the needs of the citizens and other elected officials, compromise and develop a consensus on priority issues to improve the county.
3. *Budget Priorities* The County will adopt a General Fund budget in which current operating expenditures are limited to prior year operating revenues. The County will allow for additional operating expenditures in excess of prior year revenues only in cases where those expenditures are covered by new current year operating revenues. (see budget priorities)
4. *Transportation* improvements have been identified by the Commissioners as critical to the long-term vitality of the county, its residents, its businesses, its local governments and to the tax base that provides for local government services. A Transportation Improvement District has been created for the express purpose of inclusion, integration, coordination, and utilization of the resources of all county political subdivisions and county offices to the fullest extent possible to create a transportation system that is integrated with and supports economic development strategies developed by the county and other political subdivisions of the county. (see TID Intergovernmental Agreement)
5. *Economic Development* The County Commissioners recognize that economic development is crucial to the short and long term vitality of Clermont County and county investment is important to restart local government revenue growth in the county. Collaborating through the ED3C, the TID, the CIC, and the Office of Economic Development, the County Commissioners have initiated an aggressive economic development program, investing in infrastructure improvement, “shovel-ready” site development, image enhancement, and improved communications with the business and development community. (see ONE CLERMONT Economic Development Strategy)
6. *Equitable treatment of employees* It is the County Commissioners’ intent to provide appropriations that will allow for equitable treatment of all employees of the County in the area of both wages and fringe benefits.
7. *Health Insurance Costs* To contain rising health insurance costs which threatened employee morale and severely impacted the personnel budget, the County Commissioners adopted a strategy to partner with employees to contain cost. This was done through communication and developing an explicit plan to share in the cost of future increases. (see Health Care Cost Strategy)

## Form of Ohio Government

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Clermont County is organized under general statutory law and has twelve elected officials consisting of three county commissioners and an auditor, treasurer, prosecuting attorney, clerk of courts of common pleas, clerk of municipal court, engineer, coroner, recorder and sheriff. In addition there are six common pleas court judges and three municipal court judges. There is no single chief executive officer; each elected official possesses some executive authority. The BCC respects this form of government.

County commissioners make up the general administrative body for county government. They can perform those duties which are specifically authorized by the General Assembly. They are the county government taxing, budgeting, appropriating, and purchasing authority. They hold title to county property. Individual commissioners have no power to act independently. All formal and official actions must be taken by the board of county commissioners acting as a body by majority or unanimous vote.

Such a system creates an inherent conflict especially in times of stagnant or declining resources. By necessity, county commissioners must take a broad view of actions necessary to make the county a better place to live and work. They have the responsibility of allocating resources to all of the other elected officials, requiring them to listen to the needs of the citizens and other elected officials, to compromise, and to develop a consensus on priority issues to improve the county. The County Commissioners respect the fact that:

1. Each office holder is responsible for providing services mandated by the ORC and determining service levels within the constraints of available funding.
2. The County Commissioners have a responsibility to ensure that each elected official is properly funded to perform their statutorily mandated duties.
3. The County Commissioners have a responsibility to protect the long term financial stability of the County.
4. The budget process should be both open and transparent and involve and respect all elected officials and their funding requirements. This process should seek to arrive at a consensus among all concerned parties as to how to proceed.
5. Where no consensus exists, it is the County Commissioners' ultimate responsibility to make the appropriation decisions.

## Economic Development

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The Board believes we have an obligation to the future therefore has made a policy decision to aggressively pursue economic development in Clermont County.

The broad goal is to “Enhance the quality of life of our citizens through the development and implementation of policies and programs that will facilitate expansion of existing businesses and stimulate and attract new business investment in order to create jobs and expand our economic base.” A major objective and justification is the need to increase the tax base of the county to continue to adequately fund services.

Economic assessments have identified a number of key issues impacting the county including a lack of “shovel ready” sites available for commercial and industrial development, sales tax “leakage” from the county stemming from a stagnant or declining retail base, lack of cooperative strategy between local governments and private sector, congestion of major transportation arteries.

Collaborating through the Economic Development Corporation of Clermont County (ED3C), the Clermont County Transportation Improvement District (CCTID), the Clermont County Community Improvement Corporation Inc (CIC), and the Office of Economic Development, the County Commissioners have initiated an aggressive economic development program, investing in infrastructure improvement, “shovel-ready” site development, image enhancement, and improved communications with the business and development community.

Who benefits?

- Residents - access to good paying jobs, employment opportunities for our children.
- Taxpayer s - lower tax rates, better schools, higher quality of life, wealth accumulation
- Local governments - sales tax will increase, property taxes will increase, fees will increase without raising rates.

Resources for Clermont County program

1. General Fund
2. Conveyance Fee
3. Integration with other county activities (TID, Utilities)
4. Private Sector participation (One Clermont)

## Economic Opportunity fund –

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One major initiative of the Board of County Commissioners is the creation of a capital funding source. The Economic Opportunity Fund is a “discretionary” capital investment pool to position the county to take advantage of new economic development opportunities. How the county plans and implements, anticipates and responds to opportunities is directly related to access to capital. One of the most difficult problems for most local governments is the ability to generate adequate “discretionary” funding to provide leverage resources.

The fund consists of approximately \$8 million that was originally withdrawn from the General Fund to acquire the property that is now Ivy Pointe. As these monies are paid back into the county they will be reserved for investments creating new economic activity creating an increasing tax base and providing for a return of the initial funds for future investment.

## Ivy Pointe Status-

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1. Status of Original purchase by BCC
  - Total original purchase by county \$8,408,879 (includes CAUV)
  - Reimbursed to county to date \$3,109,200
2. Taxes
  - Union Township has placed the area in a TIF district to pay for some of the site improvements and provide other revenues to the Township for improvements here and elsewhere in the area. As a result, the increase in property taxes accrues to the Township in the form of service payments.
  - CAUV Recoupment brought \$275,000 to taxing jurisdictions
  - Annual additional taxes of \$111,777 to all taxing jurisdictions

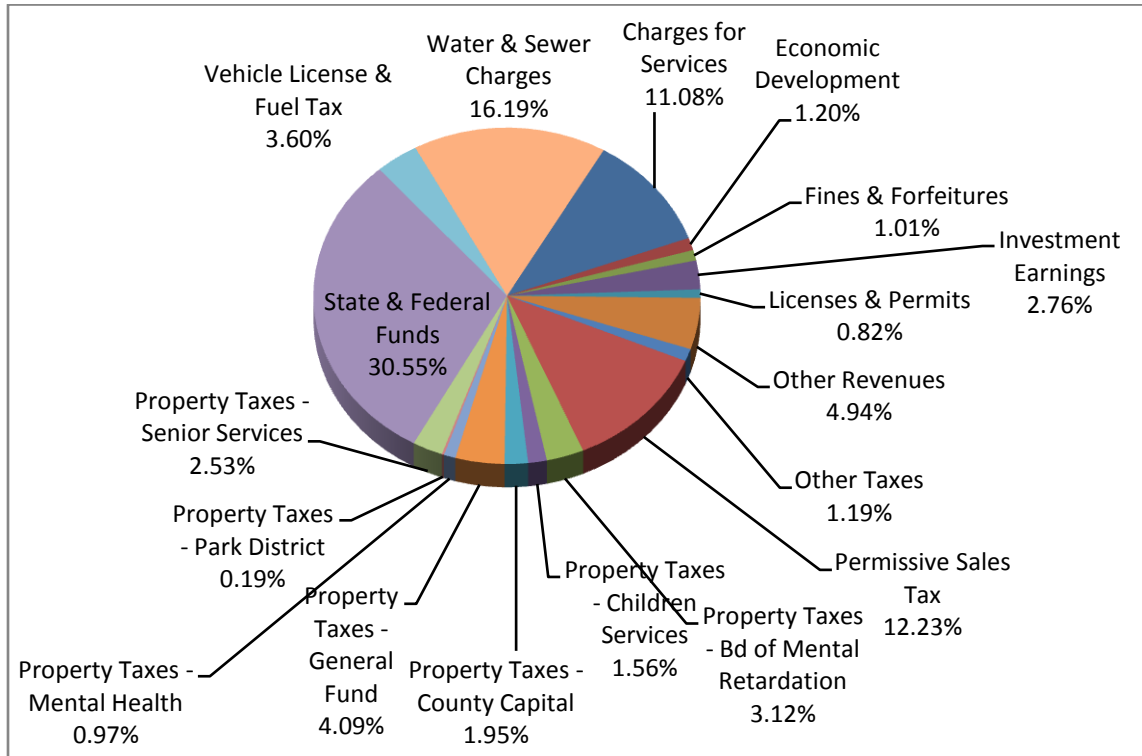
3. Interest Payments

YEAR	Interest rate %	Paid
2006	4.86	\$34,518
2007	5.32	\$351,867
2008	4.88	\$317.651

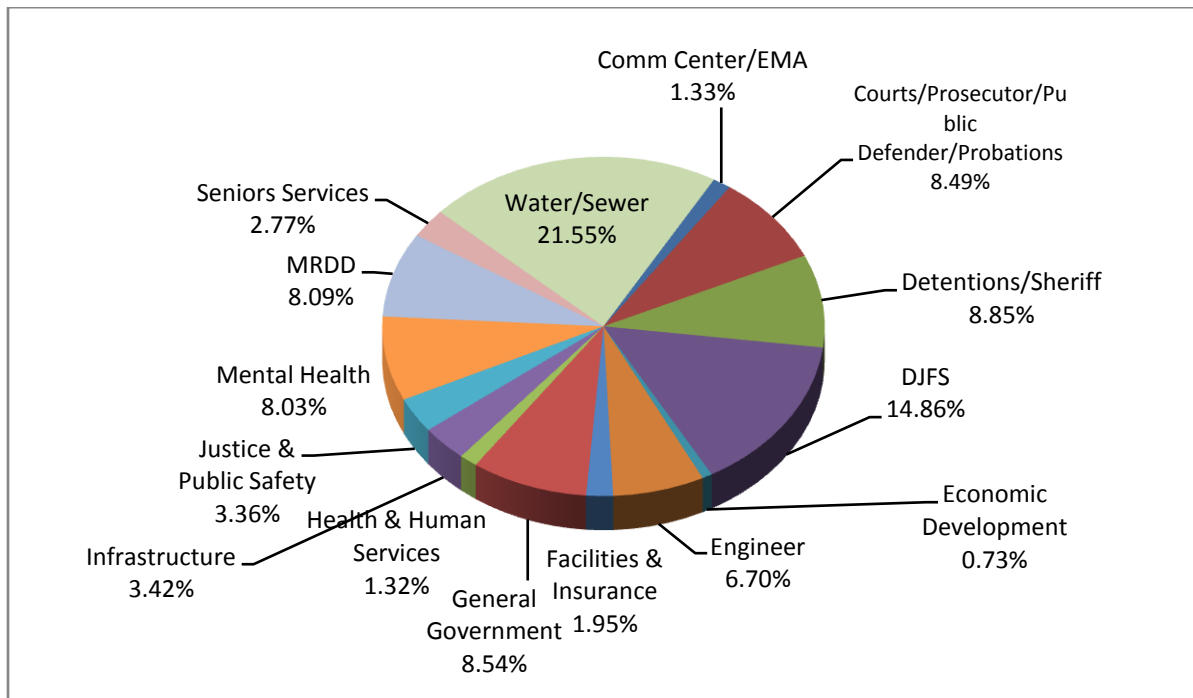
4. Public Infrastructure Improvements
  - Completion of Ivy Pointe Blvd. (fka Ferguson Drive) including light at Clough Pike by CUC
  - Completion of utility infrastructure for entire Ivy Pointe Commerce Park by CUC
  - Partial cost of reconstruction of old Ferguson Drive
5. Site Development
  - Completion of grading of site by CUC
6. Office Construction
  - 100,000 sq. ft. TQL Headquarters – 700 employees
  - 100,000 sq. ft. Sencorp Headquarters under construction – 200 employees

## The Budgeted Funds of the County

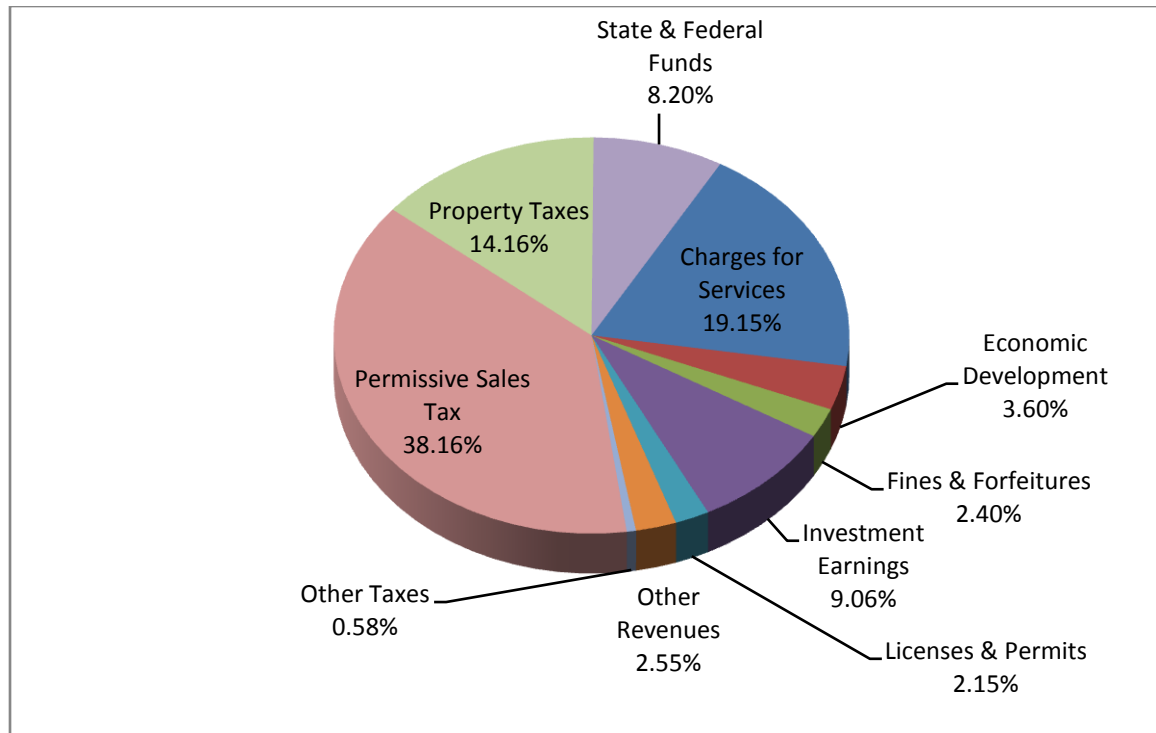
Revenue Sources of all Budgeted Funds (excluding transfers- based on 2007 receipts):



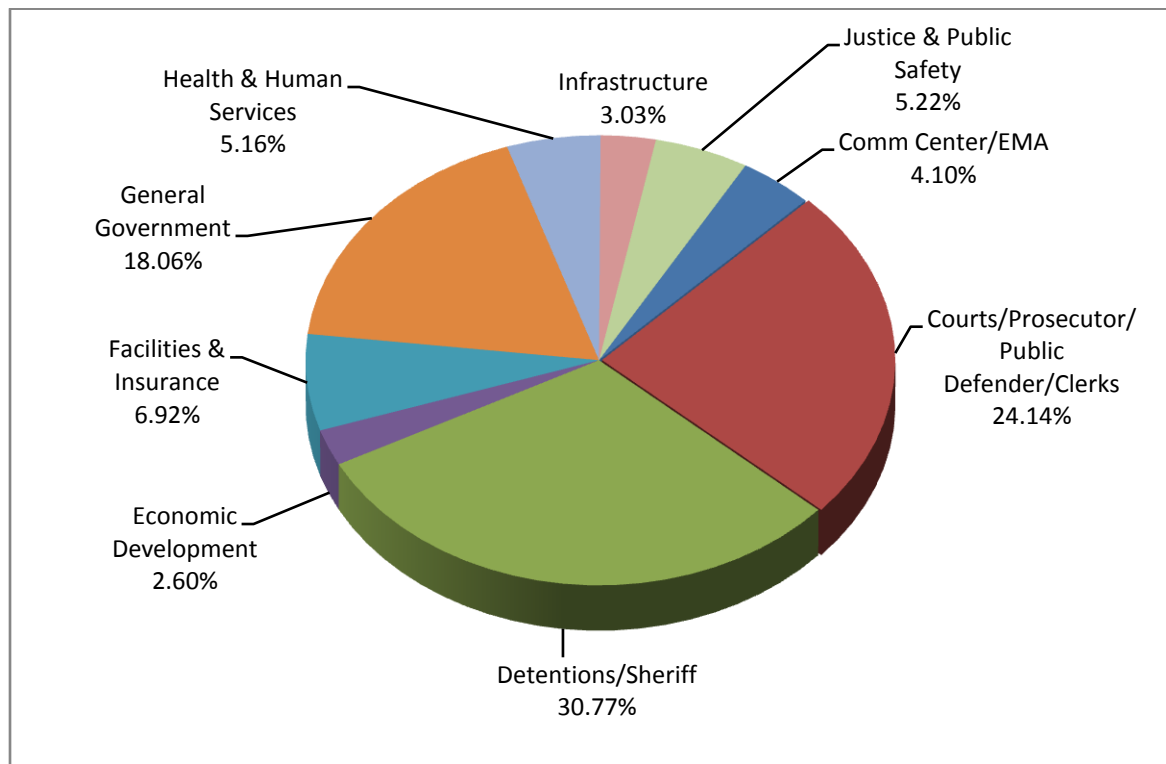
Expense areas of all Budgeted Funds (excluding transfers- based on 2007):



### Revenue Sources of General Fund (excluding transfers- based on 2007 receipts):



### Expense areas of General Fund (based on 2007):



## Budget Policy Statement

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1. A General Fund Balance shall be maintained consisting of 25% of the previous year's operating expenses. The Budget Stabilization fund will be included when measuring to the target number.
2. The Board of County Commissioners will not create an ongoing situation where the operating expenses of the general fund will exceed the operating revenues
  - The annual appropriation will be limited to prior year actual operating revenue receipts
  - Occasionally new operating revenues may be generated and appropriated in the same year
3. Fund balances below the target level will be raised to target level with subsequent appropriations
4. Any year end surpluses will be applied as follows:
  - Maintain fund balance reserves as established by policy
  - Fund Building Replacement & Improvement funds
  - For capital projects and/or "one-time only" General Fund expenditures.
5. Economic development activities will continue to be funded through the conveyance fee increase established for that purpose.
6. Annual examinations of fees relative to the cost of the services provided will be performed.
7. In lieu of blanket across the board appropriation reductions, services and programs will be prioritized before cuts are determined.
8. Appropriations for salary and fringe benefits shall be as equitable as possible within the entire county operation.